

# 3. Surveying Business Owners

A key ingredient in local economic revitalization is a commitment to and support of existing businesses. An understanding of these businesses must go beyond the information collected in the business portion of the downtown inventory discussed in Section 2. This section provides details on what kinds of surveys and questions could enhance your analysis of business owner needs and provides a recommended instrument for conducting a business owner mail survey.

This section is also available as a PDF.

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## Types of Business Owner Surveys

There are four basic ways to survey business owners; written surveys, telephone surveys, business visitations, and focus groups. Other methods, including "secret shopper" surveys, can also yield useful information.

**Written surveys** are a technique where you print and distribute questions to business owners. Use a written survey if you want to collect comprehensive business information. You may include a lot of questions but you must keep the survey short enough or compelling enough that all business owners are willing to complete it. It is best to hand deliver written surveys to ensure the survey receives more immediate attention and to personally explain the survey. Hand delivery is possible for downtown business owner surveys due to the relatively small number of surveys needed and the ability to walk from business to business. Business owner written surveys should include a brief cover letter that states how the survey will help the owner's business, provides instructions, guarantees only summaries will be made public, and asks for participation. Volunteers should also voice this same message at the time of delivery.

**Telephone surveys** are a technique where you have interviewers call business owners from an office or home to ask questions. Use a telephone survey if you want to collect specific business information. When using volunteer interviewers, calling is often easier as a group effort from a location with multiple phone lines. For business owner telephone surveys, call during regular business hours but not at busy times. The caller should first briefly state how the survey will help the owner's business, guarantee only summaries will be made public, estimate how long the survey will take, and ask for participation. The best telephone surveys have quality interviewers who use similar techniques, speak clearly, ask a few simple questions and do not sway the opinion of the business owner.

**Business visitations** are a technique where you have two-member teams visit all downtown business owners and ask questions. Use business visitations if you want to collect detailed business information and leave the owner feeling the most appreciated. Visitation teams should include a mix of service and retail members who are non-competitors to the business visited. The team should call ahead to set up an appointment by briefly stating how the visit will help the owner's business, estimating how long the visit should last, and asking for participation. They must stress the confidentiality of the information gained. During the business visitation, they ask prepared questions and document the answers. The best business visitation programs have quality interviewers who are well trained, use similar techniques for all interviews, and are skilled listeners.

**Focus groups** are a technique where you bring together a representative group of business owners for organized discussions to gain information about their views and experiences of owning a business downtown. Use focus groups if you want to collect rich and deep business information. You should personally invite seven to eleven representative business owners to a 90-minute meeting by telling them why it will help their business. Hold the meeting in a comfortable room and provide refreshments. An experienced interviewer or moderator should facilitate the dialogue and new idea development. At the end, thank participants through gifts, coupons or other tokens of appreciation.

## Selecting a Business Owner Survey

Most communities are best served by using a combination of survey techniques. What may determine your choice of a technique are the complexity of the questions you want to ask and the importance of a 100% participation rate. A written survey would provide you with your best chance for getting comprehensive information from all businesses in the downtown. Adding a telephone survey would provide you with a quick way to get simple follow-up information from those same businesses. Adding business visitations would allow you to interact with business owners, clarify questions and expand answers. Adding focus groups would allow you to delve deeper into business owner attitudes.

## Designing the Business Owner Survey Content

Once you have selected a survey technique or techniques, you must determine what questions you want to ask. Because business owners will only be willing to spend a limited amount of time, any survey must be designed to ask only the most important questions. You may decide to ask some questions just because it is important for the business owners themselves to have the answer. Unlike typical written surveys where respondents are completely anonymous, business owners must be identified to facilitate providing business assistance. For this reason, questions in an open business owner survey must avoid sensitive business areas such as income and expenditures. A second, anonymous business owner survey can be designed to collect sensitive information where the business owner doesn't need and doesn't want to be identified.

### Information Gathered through an Open Business Owner Survey

The following list is not intended to include all non-sensitive business information but to hopefully help in your search for what information is most important to your market analysis efforts.

#### Contact information

#### Needs and Opportunities Assessment

- If they are experiencing any business challenges
- What information or assistance they or their employees could use
- How useful to their business are your organization's existing products and services
- How useful would products and services proposed by your organization be to their business
- Which other business incentives or assistance have they used or plan to use
- Their attitudes related to being a business owner in your community
- How satisfied they are with their present location
- If they have plans to expand or reduce operations
- If they, or the building owner, are considering any building improvement projects

#### Business and Workforce Data

- Their business or professional activity code (NAICS)
- How long they have been in operation
- How long they have been the owner
- Whether their business owns or rents its space
- How many square feet are devoted to sales, production, office and storage or are unused
- Where their customers typically park
- Where their employees typically park
- What percentage of their employees live in the local community
- How many people they employ

## Market and Marketing Data

- Their hours of operation and their thoughts on store hours
- Their busiest times of the week
- Their busiest months of the year
- How many customers/clients visit their business per week
- The community events that increased their foot traffic or sales volume
- The top zip codes from which their business draws customers
- The percentage of their annual advertising budget spent on various media
- Their target market
- The radio stations and publications that are included in their annual advertising budget
- The products and/or services that best differentiate their business from the competition
- Their toughest competition
- The traits that make their business more competitive
- The price point they target
- The downtown businesses that complement their business the most
- The biggest non-work reasons people stop downtown
- The businesses they would most like to see come downtown
- The community assets they would most like to see developed

## Information Gathered through an Anonymous Business Owner Survey

The ultimate goal for an anonymous business owner survey is to calculate sales per square foot, sales per employee, and rent per square foot. These statistics are calculated and used by chains, franchises and shopping centers for business planning but are not readily available for small independent downtown businesses. By pooling and summarizing this information you can maintain confidentiality and still tell your downtown businesses how their sales and rent compare to other businesses like theirs and how their rent compares to the average rent in your downtown. You will also have generated valuable statistics for expansion and recruitment feasibility analysis and business planning. The following numbers can be used to calculate the above statistics.

- Net sales
- Annual rent
- Gross leasable area in square feet
- Number of full time equivalent (FTE) employees
- Wages

## Administering a Business Owner Written Survey

The best way to ensure successful administration of any project, including a business owner written survey, is to develop and follow a work plan. Work plans are a fundamental strategy employed by Main Street organizations across the United States. Below are tasks identified for a hypothetical business owner written survey work plan. Many of the steps assume you are using the *Standardized Business Owner Written Survey* developed by the Wisconsin Main Street Program.

Wisconsin Main Street's *Standardized Business Owner Written Survey* is available here as a PDF.

(See note at the end of this section)

(For the editable MS Word version, email your request to [tbarman@commerce.state.wi.us](mailto:tbarman@commerce.state.wi.us))

### Step 1. Review Examples from Other Communities

Many communities have administered a business owner written survey and most are more than happy to share their methods and results. There is little advantage in trying to design your business owner written survey from scratch. If your community is like most, you will lack volunteers with significant survey experience. It is easy to make costly mistakes. If a question is worded incorrectly, the answers collected will be less useful. If your community has administered a business owner written survey in the past, consider using some of the same questions in order to see if answers and thus businesses have changed over time.

In order for answers to be useful, questions must be unambiguous and should not lead the business owner to a particular response. Asking about existing behavior is the best way to predict future behavior. For easier analysis and interpretation, to the extent possible ask multiple choice rather than open-ended questions. Match questions on demographics with census categories so that they can be compared. Even subtle differences in the wording of similar questions will prevent comparisons. This advice is not meant to discourage you from administering your own business owner written survey but to encourage you to be cautious when writing questions.

### Step 2. Accept/Reject Standardized Questions

The *Standardized Business Owner Written Survey* provided includes questions that the Wisconsin Main Street Program staff believe to be important in a comprehensive downtown market analysis and useful for business retention, expansion and recruitment. You are free to eliminate entire questions that are less important to your immediate efforts in order to shorten the survey. Before rejecting any of the standardized questions, it might be useful for you to review the *Business Owner Survey Supplement*. While it was designed as an introduction piece, it provides the rationale behind each question. Keep in mind that each question you use as designed will allow you to compare answers from your community with other communities that used the same question and shared their results. This cross community comparison will enhance the power of your survey. You should not modify the wording of a question without good reason. If you have good reason please share it with the Wisconsin Main Street Program so we can consider revising the standardized survey.

The *Business Owner Survey Supplement* is available here as a PDF. (See note at the end of this section)  
(For the editable MS Word version, email your request to [tbarman@commerce.state.wi.us](mailto:tbarman@commerce.state.wi.us))

When accepting or rejecting standardized questions, keep in mind that some of the questions in your business owner written survey are designed to be used together with questions from your consumer mail survey (see Section 8). The paired questions allow for comparisons between the perceptions, attitudes and behaviors of business owners and their potential customers. The table in exhibit 3.1 at the end of this section shows the corresponding questions.

### Step 3. Draft Customized Questions

Always customize any borrowed survey to fit your unique local needs. The sample provided has questions designed for you to personalize and instructions for personalization are supplied at the end of this section.

### Step 4. Draft Introduction

An introduction is an important part of all survey techniques. For written surveys the introduction will first be presented through a cover letter and later repeated verbally. For telephone surveys, business visitations and focus groups the introduction will be presented verbally. The introduction should briefly state how the survey will help the owner's business. It should also include an estimate of the amount of time required, provide instructions, guarantee only summaries will be made public, and ask for participation. The *Standardized Business Owner Written Survey* developed by the Wisconsin Main Street Program divides the introduction between a cover letter and the *Business Owner Survey Supplement* that includes instructions, answers to frequently asked questions, and a question by question explanation of why each question was asked. The explanations focus on how the survey results will help the owner's business.

### Step 5. Proofread and Pretest Your Survey

It is always good practice to proofread and pretest your survey, including your cover letter, before full distribution. Sometimes volunteers drafting the customized questions get too close to their work and fail to see the obvious. Have a few business owners who are active volunteers in your organization, but who have not been involved in survey design, take your business owner written survey and give you feedback. Instructions and questions that are unclear and misinterpreted will show up in a pretest and can be corrected. Use the pretest to estimate the time required for the survey.

### Step 6. Approve Final Survey

Eventually editing must come to an end. Because distribution and collection requires a significant commitment of volunteer time and energy it is important to have the organization or committee overseeing the project formally approve the final version of your business owner written survey.

### Step 7. Answer Distribution Questions

To establish your organization or community as business friendly and to establish a successful business retention program, you shouldn't settle for less than a 100% response rate for your business owner written survey. This level of response can only be accomplished by hand delivering surveys to every business owner and personally explaining the importance of their participation. Your financial and human resources will determine how you accomplish hand delivering the surveys. If you have enough volunteers, you can save staff time and money by utilizing a block captain program. Block captains, often volunteers who own a business or building, take responsibility for distributing important information, like business owner written surveys, to others on their block.

### Step 8: Develop Distribution Plan

To stay on task, you must set dates for delivery and collection of your business owner written survey and assign specific responsibilities. A letter should be mailed to business owners announcing future delivery of the survey. It is recommended that all survey plans also be promoted in your newsletter. Business owners will be much more likely to participate if they understand the project and why it will help their business. A sample newsletter article to promote a business owner written survey is included in Appendix A. Finally, it is important to train the staff or volunteers who will be delivering and collecting the survey.

### Step 9. Print Survey

The number of businesses you plan to survey will affect your printing decisions. Photocopying surveys is more cost effective for low volumes while professional printing is more cost effective for high volumes. If photocopying, make sure the quality of the copy is good. Stray marks that sometimes show up on poor copies could affect the accuracy of computerized optical mark recognition software.

### Step 10. Distribute Surveys

The printed surveys from Step 9 need to be hand delivered to every business owner. Even though the cover letter states how the survey will help the owner's business, provides instructions and asks for participation, volunteers should also voice this same message at the time of delivery. Give business owners an estimate of the amount of time required to finish the survey and when to expect a return visit for collection.

### Step 11. Collect Surveys

Again, the goal is for a 100% response rate and that can only be accomplished face to face. If the business owner has not completed their survey by the scheduled time, the individual collecting surveys should have the business owner schedule a new return visit. It is also possible to switch techniques at this point and develop a business visitation program to survey the remaining businesses. If the business owner expresses concerns over why a particular question is being asked, have the individual collecting surveys use the *Business Owner Survey Supplement* to provide an explanation.

### Step 12. Tabulate Surveys

Enter data into a spreadsheet or database program. The *Standardized Business Owner Written Survey* used by the Wisconsin Main Street Program is scannable for automatic data entry.

### Step 13. Verify Data and Enter Open Ended

While most computerized optical mark recognition software is surprisingly accurate, there are always answers that will be unrecognized or incorrectly recorded. In addition, most programs are still unable to automatically recognize handwriting and open-ended responses. For these reasons it is necessary for someone, preferably a volunteer, to verify and correct the accuracy of scanned answers and to type open-ended answers. Also, transfer information to the business portion of the downtown inventory (see Section 2) including owner contact information, business classification, primary products and services, date established, business hours, space use, and employment information.

### Step 14. Review Raw Data

The simplest way to summarize survey results is to report the frequency of each response to each question.

### Step 15: Summarize/Interpret Data

With frequencies in hand, look for patterns in the results that would be useful for your downtown business owners to know. Also, make note of "red flags" that might warn of the need for business assistance. Finally, take care to protect the confidentiality of the information collected.

### Step 16. Print Summary

Human and financial resources should be directed toward quality editing not expensive printing.

### Step 17. Distribute Summary

Remember to share the results of your survey with your business owners. Mail or hand deliver the summary report. Sharing this information is an important business retention activity. The report will demonstrate the importance of the time they spent filling out the survey, as well as ways they might personally benefit from the results in the future.

### Step 18. Repeat

Your organization should plan to survey business owners on a regular basis, ideally every year, but at least every other year. For questions where the answer is unlikely to be different from the last time you surveyed, include their former answer and allow them to correct it if necessary. Use the same exact wording for as many questions as possible in order to see if answers and thus businesses have changed over time.

## Types of Questions in the Wisconsin Main Street Program's Standardized Business Owner Written Survey

The Wisconsin Main Street Program's *Standardized Business Owner Written Survey* includes 35 questions in the following categories:

- Needs and Opportunities Assessment - Questions 1-9
- Business and Workforce Data - Questions 10-18
- Market and Marketing Data - Questions 19-35

## Instructions for Customizing the Wisconsin Main Street Program's Standardized Business Owner Written Survey

When accepting or rejecting standardized questions, keep in mind that some of the questions in the *Standardized Business Owner Written Survey* are designed to be used together with questions from the *Standardized Consumer Mail Survey* (see Section 8). The paired questions allow for comparisons between the perceptions, attitudes and behaviors of business owners and their potential customers. The table below shows the corresponding questions. In most cases the meaning is the same even though the wording varies to reflect the perspective of the respondent. Only questions that have required further clarification in the past are discussed in these special instructions.

<i>Standardized Business Owner Written Survey Question</i>	<i>Standardized Consumer Mail Survey Question (Section 8)</i>
6*	39*
15	11, 12
20	1
23	8
26	27, 28, 34
27	37
30	17
33	10
34	18, 19
35	20

Exhibit 3.1 – Paired questions for *Standardized Business Owner Written* and *Standardized Consumer Mail Surveys*

\* Some of the statements share the same wording while others the wording varies to reflect the perspective of the respondent.

### Overall

Insert the name of your community wherever you see “City X”.

### Cover Letter & Supplement

Print the cover letter on your organization’s letterhead and the supplement on a separate piece of plain paper. Insert the correct dates, addresses, phone numbers, names, and signatures. The Cover letter and supplement were designed for Wisconsin Main Street communities so you may need to do some rewording. The survey instructions reflect the fact that the survey was designed for scanning and automated optical mark recognition. If you are planning to manually enter data you may adjust the instructions accordingly.

**Question 1**

The standardized list includes typical business challenges. Answers to this question should provide ideas for future business retention projects. If your local study team is aware of unique local challenges, feel free to expand the list. You may also reduce the list if you know a particular challenge is not an issue locally.

**Question 2**

The standardized list includes typical business training workshop topics. If your local study team has additional training ideas, feel free to expand the list.

**Question 3-4**

The standardized list in question 3 includes typical products and services offered by Main Street organizations to assist their downtown businesses. Use the list to customize question 3 and 4 for your community. In question 3 list up to eight of your organization's primary business assistance products and services, including any not found in the standardized list. In question 4 list up to four products and services your organization or community has seriously considered creating. Delete the extras. Also be sure to delete the instruction notations that are in Italics.

**Question 5**

Question 5 is intended to provide feedback on the awareness and use of business assistance available to your downtown businesses through other programs. List up to four incentives your organization is most curious about and delete the rest.

**Question 6**

The statements in question 6 are intended to gauge attitudes that influence business behavior and to gauge perceptions about the downtown business climate. A range of possible statements is included in the standardized survey. You may want to eliminate statements that are not important to you or add statements to address issues unique to your situation. You will have room for sixteen statements.

**Questions 3-6**

This group of questions should reduce to one page. Prioritize the options/choices you include.

**Question 11**

Knowing the age of businesses in your downtown provides insight into where each business might be in their lifecycle, which in turn provides insight into their business assistance needs. The reason for asking for a specific date in question 11 is to provide an opportunity for your organization to plan special events for businesses around their anniversary dates.

**Question 22**

This question can be simplified if you don't expect a seasonal fluctuation in foot traffic.

**Question 23**

You should list all downtown events that your organization plans for the expressed purpose of increasing sales (retail events) or foot traffic (special events). Also include other major events taking place within the community or region that you want to evaluate for their impact on sales or foot traffic. If the number of events exceeds 12, you may want to consider only listing the most important. Choices should match question 8 from the *Standardized Consumer Mail Survey*.

**Question 24**

The purpose of this question is 1) to collect information that can be used to determine the primary trade area for the whole downtown and 2) to provide a gentle push to downtown businesses to collect information about the origin of their own customers (if they aren't already). Asking customers their home zip codes is the easiest way for any business to begin tracking where their existing customers live. It is also information that can easily be shared with your organization without the business fearing they are giving away valuable secrets (such as the actual customer's name or address). Furthermore, demographic data is available at the zip code level. The zip codes you list for this question should be

those zip codes that your local study team intuitively believes have the greatest potential for being selected by the most businesses. While it is understood that each business is going to draw from a unique geographic area (some from very far away) the goal is to determine the area that generates the majority of the customers for your downtown. Please see Part I-Section 5 of this On-Line Market Analysis Toolbox for more information on trade area.

#### **Question 26**

This is a question that many downtown business owners may have trouble answering. They may not have thought about their target market, but they should. It is almost never true that a business appeals to all demographic categories equally. The answer is important to your organization because when it is combined with the answers from all other downtown businesses you will be able to describe the most typically targeted downtown customer. The choices are designed to match questions 27, 28, and 34 in the *Standardized Consumer Mail Survey* and to match the standard census demographic categories.

#### **Question 27**

For this question it is important to list specific radio, television stations and publications. Just identifying station programming categories (i.e. country, rock) or station origins (i.e. primary city) is not enough. It is important for your organization to know the specifics in order for you to better coordinate cooperative advertising opportunities. It will also allow you to target your downtown image advertising to those radio stations and publications preferred by your downtown businesses. List the primary local radio and television stations by using both the call letters and dial number to ensure business owners recognize their options. Be careful to make your lists complete. If you do a good job there should be a low percentage of business owners who reply with "other". Choices should match question 37 from the *Standardized Consumer Mail Survey*. Similar questions are asked in the *Standardized Consumer Mail Survey* in order to facilitate a comparison of where customers are getting their information and where downtown businesses are advertising.

#### **Questions 28-31**

These questions are designed to get downtown businesses to think about their competition and what sets them apart in the eyes of their customers. Answers to these questions are more important to the business owners themselves, but may prove useful to your organization.

#### **Question 32**

Like the set of questions 28-31, answers to this question are more important to the business owners themselves. Having businesses take the time to think about other specific downtown businesses that complement their business may help foster future cooperative advertising and promotions.

#### **Question 34**

List the businesses for which you are most interested in evaluating market potential. This is your wish list of businesses. Choices should match question 18 from the *Standardized Consumer Mail Survey*. Asking business owners this question will help identify potential complementary businesses.

#### **Question 35**

Customize the list of choices for question 35 to include community development projects planned or proposed through comprehensive planning, town meetings, or strategic/work planning. Choices should match question 20 from the *Standardized Consumer Mail Survey*.

## Appendix A - Sample Newsletter Article

### MAIN STREET PROGRAM TO SURVEY BUSINESS OWNERS

(Enter city)—Businesses in downtown (Enter city) will soon have a special opportunity to be heard. (Enter main street organization) is unveiling their new business owner survey. The survey is one part of a comprehensive market analysis currently underway that will help downtown businesses be more successful and improve the quality of retail and service opportunities available to area residents. The analysis will help all key stakeholders better understand the changing marketplace and identify business and real estate development opportunities that are realistic and make sense for (Enter city). It will also assist (Enter main street organization) with future design, promotion and economic restructuring projects.

(Insert a quote from Main Street Manager or from member of study group such as:) "This is a wonderful opportunity for us to assess the needs of the small business community and work towards meeting those needs. We want to know their thoughts on owning a business in (Enter City) and to gauge the local business climate."

The survey has three major sections. The first section is a needs and opportunities assessment. (Insert a quote from Main Street Manager or from member of study group such as:) "We want to focus our limited resources on the products and services their business finds most useful. We want to help them expand their operations downtown." The second section covers business and workforce data. (Insert a quote from Main Street Manager or from member of study group such as:) "We want to calculate our local supply of commercial space so we can compare it to demand and discover expansion opportunities for them and recruitment opportunities for the downtown. We want to show the community the importance of downtown businesses based on the valuable jobs they all provide." The third and final section covers market and marketing data. (Insert a quote from Main Street Manager or from member of study group such as:) "We want to compare when their business is busiest with when local residents typically shop to help them find opportunities for reaching more customers. We want to refer customers to their business and to highlight their products and services when we highlight all those available downtown."

For the last three decades, downtowns all across our country have seen continued economic leakage from downtown to outlying edge locations. Once the center for community and economic activity, downtowns have suffered the loss of retail and other business activities to sites in shopping centers and commercial strips. Downtowns continue to suffer economic hardship brought on by fierce retail competition from category killers, large discount stores, and regional shopping centers. Many small city downtowns face high vacancy rates and a poor mix of retail tenants. They typically lack the market research support available to the big retailers and shopping center developers.

The business owner survey is an important piece of the downtown market analysis being completed by (Enter main street organization) with free technical assistance provided by Wisconsin Main Street Program staff and the University of Wisconsin Extension. (Enter main street organization)'s survey research will help bridge the gap between businesses and residents. Responses to the business owner survey will be compared to the findings of a companion resident survey also planned for the community. The two surveys together will help business operators understand how their perception of the business district may differ from that of the resident.

The survey will be distributed this week and analysis will begin within a month. Key findings will be reported to the survey participants as soon as they are available.

Interested parties may volunteer for the downtown market analysis team by calling (Enter name of committee chair) (Enter phone number). For more information on the downtown market analysis or on (Enter Main Street Organization), contact (Enter Main Street Manager Name), at (Enter phone number).

**Note:** Communities are welcome to use the *Standardized Business Owner Written Survey* on condition that they are willing to share their results with the Wisconsin Main Street Program. For more information, contact: Wisconsin Main Street Program, Wisconsin Department of Commerce, 201 W. Washington Ave., P.O. Box 7970, Madison, WI 53707-7970 or email Todd Barman at: [tbarman@commerce.state.wi.us](mailto:tbarman@commerce.state.wi.us)

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#### **About this Section**

The Downtown and Business District Market Analysis guidebook is a collaborative effort between the University of Wisconsin - Extension (UWEX) and the Wisconsin Main Street Program of the Wisconsin Department of Commerce (Commerce).

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